

chapter 17A to implement the pilot project in accordance with this section.

Sec. 3. Section 421.17, subsection 34, paragraph i, Code 1997, is amended to read as follows:

i. The director may distribute to credit reporting entities and for publication the names, addresses, and amounts of indebtedness owed to or being collected by the state if the indebtedness is subject to the centralized debt collection procedure established in this subsection. The director shall adopt rules to ~~implement~~ administer this paragraph, and the rules shall provide guidelines by which the director shall determine which names, addresses, and amounts of indebtedness may be distributed for publication. The director may distribute information for publication pursuant to this paragraph, notwithstanding sections 422.20, 422.72, and 423.23, or any other provision of state law to the contrary pertaining to confidentiality of information.

Sec. 4. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 19, 1997

CHAPTER 154

TAX TREATMENT OF SUBCHAPTER S FINANCIAL INSTITUTIONS AND THEIR SHAREHOLDERS

S.F. 553

AN ACT relating to the tax treatment of financial institutions and their shareholders which have made an election under subchapter S of the Internal Revenue Code and including a retroactive applicability date provision.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 422.11 FRANCHISE TAX CREDIT.

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a franchise tax credit. A taxpayer who is a shareholder in a financial institution, as defined in section 581 of the Internal Revenue Code, which has in effect for the tax year an election under subchapter S of the Internal Revenue Code shall compute the amount of the tax credit by recomputing the amount of tax under this division by reducing the taxable income of the taxpayer by the taxpayer's pro rata share of the items of income and expense of the financial institution and subtracting the credits allowed under section 422.12. This recomputed tax shall be subtracted from the amount of tax computed under this division after the deduction for credits allowed under section 422.12. The resulting amount, which shall not exceed the taxpayer's pro rata share of the franchise tax paid by the financial institution, is the amount of the franchise tax credit allowed.

Sec. 2. Section 422.61, subsection 3, Code 1997, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. Where a financial institution as defined in section 581 of the Internal Revenue Code is not subject to income tax and the shareholders of the financial institution are taxed on the financial institution's income under the provisions of the Internal Revenue Code, such tax treatment shall be disregarded and the financial institution shall compute its net income for franchise tax purposes in the same manner under this subsection as a financial institution that is subject to or liable for federal income tax under

the Internal Revenue Code in effect for the applicable year.

Sec. 3. This Act applies retroactively to January 1, 1997, for tax years beginning on or after January 1, 1997.

Approved May 19, 1997

CHAPTER 155

SCHOOL IMPROVEMENT TECHNOLOGY PROGRAM

H.F. 92

AN ACT relating to eligibility for receipt of moneys under the school improvement technology program.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 295.2, subsections 2 and 8, Code 1997, are amended to read as follows:

2. From the moneys appropriated in subsection 1 other than the moneys allocated in subsection 3, for each fiscal year in which moneys are appropriated, the amount of moneys allocated to school districts shall be in the proportion that the basic enrollment of a district bears to the sum of the basic enrollments of all school districts in the state for the budget year. However, except as provided in subsection 8, a district shall not receive less than fifteen thousand dollars in a fiscal year. The Iowa braille and sight saving school, the state school for the deaf, and the Price laboratory school at the university of northern Iowa shall annually certify their basic enrollments to the department of education by October 1. The department of human services shall certify the average student yearly enrollments of the state training school, the Iowa juvenile home, Woodward state hospital school, and Glenwood state hospital school institutions under department of human services control as provided in section 218.1, subsections 1 through 3, 5, 7, and 8, to the department of education by October 1.

8. For purposes of this section, "school district" means a school district, the Iowa braille and sight saving school, the state school for the deaf, the Price laboratory school at the university of northern Iowa, the state training school, the Iowa juvenile home, Woodward state hospital school, and Glenwood state hospital school and the institutions under the control of the department of human services as provided in section 218.1, subsections 1 through 3, 5, 7, and 8. However, notwithstanding subsection 2, the amount of moneys allocated to the institutions under the control of the department of human services as provided in section 218.1, subsections 1, 2, 3, and 5, shall be a total of not more than forty-five thousand dollars for each fiscal year, to be distributed proportionately between the four institutions by the department of education.

Sec. 2. Section 295.3, Code 1997, is amended to read as follows:

295.3 SCHOOL IMPROVEMENT TECHNOLOGY PLANNING.

1. The Prior to receiving funds under this chapter, the board of directors of a school district shall adopt a technology plan that supports school improvement technology efforts and includes an evaluation component. The plan shall be developed by licensed professional staff of the district, including both teachers and administrators. The plan shall, at a minimum, focus on the attainment of student achievement goals under sections 280.12 and 280.18, shall consider the district's interconnectivity with the Iowa communications net-